

Swaranjayanti Shehari Rozgar Yojana (SJSRY), Prime Minister Rozgar Yojana (PMRY), Kisan Credit Card (KCC), Self Help Groups (SHG)-Bank Linkage Programme,, etc.

(b) According to the World Bank-NCAER Rural Finance Access Survey (RFAS, 2003), conducted in two States, 41.2 per cent of total households surveyed in Andhra Pradesh and Uttar Pradesh had an account with formal financial institutions.

(c) In order to ensure greater financial inclusion and provision of adequate banking facilities to poor, following instructions *inter-alia* have been issued by the Reserve Bank of India:

- (i) Mid term Review 2005-06 urges banks to align their policies to enable greater financial inclusion. Banks were advised to make available "No Frills account" with restricted transactions which may be made known to the customers in advance.
- (ii) Know your customers (KYC) procedure for opening accounts was simplified for those customers with bank balances less than Rs. 50,000 to Rs. 1,00,000.
- (iii) Banks have been advised to provide General Purpose Credit Cards with a maximum limit of Rs. 25,000 in rural and semi-urban areas for hassle free credit.
- (iv) Banking Correspondent and Business facilitator scheme introduced in January 2006 enables banks to use the services of Non-Governmental Organisations/Self Help Groups (NGOs/ SHGs), Micro Finance Institutions (MFIs) and other Civil Society Organisations (CSOs) as intermediaries in providing financial and banking services through the use of Business Facilitator and Business Correspondent models.

Merger of Lord Krishna and Centurian Bank

2148. SHRI P.R. RAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Lord Krishna Bank and Centurian Bank are in the process of merger;

- (b) if so, the details thereof and status of above as on today, category-wise;
- (c) whether Centurin Bank was in loss during the years, 2002-2004;
- (d) if so, the rationale for considering the above merger; and
- (e) the rationale behind the non-participation of Reserve Bank of India from the critical decision-making process in the merger deal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a), (b), (d) and (e) Yes, Sir. The Lord Krishna Bank Ltd. (LKB), proposed to merge on voluntary basis with Centurin Bank of Punjab Ltd. (CBOPL), in terms of the provisions of Section 44A of the Banking Regulation Act, 1949. The proposal for voluntary merger approved by their Boards and shareholders was submitted to RBI for approval in October, 2006. RBI's decision in this regard has been kept in abeyance pending a decision by the High Court of Kerala in a case filed by a shareholder of Lord Krishna Bank Ltd. challenging, *inter-alia*, the proceedings of the Annual General Meeting of Lord Krishna Bank Ltd. which approved the draft scheme of amalgamation.

(c) As per the published Balance Sheets of the Centurin Bank, it had declared net losses of Rs. 94.01 crore, Rs. 25.36 crore and Rs. 105.14 crore for the years ending 31 st March, 2002, 2003 and 2004 respectively.

External debt

2149. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

- (a) what is the quantum of external debt as on fiscal ending October, 2006;
- (b) what is the quantum jump from the previous quarter;
- (c) how the Indian Millennium Deposits by SBI have helped to reduce the debt; and
- (d) what is the percentage of the GDP, whether there is any plan and preparation to tackle the deficit further getting increased?